



**In the Matter of the Application for a Route
Permit and Certificate of Need for a the
Mud Lake to Wilson Lake 115kV High
Voltage Transmission Line Project**

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION**

**PUC Docket No. ET-2/TL-06-980
PUC Docket No. ET-2/CN-06-367**

The above matter has come before the Commissioner of the Department of Commerce (the Department) for a decision on the scope of the Environmental Assessment (EA) to be prepared on the proposed Great River Energy (GRE) Mud Lake to Wilson Lake 115kV High Voltage Transmission Line (HVTL) Project in Crow Wing County, Minnesota.

GRE has filed applications with the Public Utilities Commission (PUC) for the Certificate of Need and the Route Permit for the proposed facilities. The PUC has combined the Certificate of Need and Route Permit processes, and authorized the Department to prepare a single EA in order to streamline the processes. The Department will include in the EA the analysis of alternatives required in rules guiding environmental review in Certificate of Need cases (Minnesota Rule 4410.7035).

The Department's Energy Facilities Permitting (EFP) Unit held a public information and EA scoping meeting on September 19, 2006, at the Garrison Township Hall to discuss the project with the public and to solicit input into the scope of the EA to be prepared. Approximately 12 persons attended the public meeting. A public comment period on the scope of the EA closed on October 6, 2006. Two comment letters and one petition were received. One comment letter was signed by six landowners adjacent to the route. The petition was signed by 52 people owning land, businesses or residing near the proposed route. The comment letters and petition request that the DOC consider a route alternative in the EA using an existing 69 kV right-of-way between the Oak Lawn Substation and the Wilson Lake Substation.

Having reviewed the matter, consulted with the EFP staff, and in accordance with Minnesota Rule 4400.2750, I hereby make the following Scoping Decision:

MATTERS TO BE ADDRESSED

The Environmental Assessment will address the following matters:

For the purposes of clarity and completeness, the EA will be divided into two major parts. Part 1 will include a description and analysis of human and environmental impacts of the proposed project and alternatives that is required by Minnesota Rule 4410.7035 under an Environmental Report for the Certificate of Need. Part 1 will evaluate the matters of size, type and timing that

would not normally be included in an EA for a route permit application. Part 2 will address the human and environmental impacts of the proposed route and a route alternative.

INTRODUCTION

1.0 SUMMARY OF THE MUD LAKE TO WILSON LAKE TRANSMISSION PROJECT

- 1.1 Project Description
- 1.2 Project Location
- 1.3 Project Purpose
- 1.4 Project Alternatives
- 1.5 Sources of Information

2.0 REGULATORY FRAMEWORK

- 2.1 PUC Certificate of Need
- 2.2 PUC Route Permit
- 2.3 Scoping of Environmental Impacts and Alternative Routes
- 2.4 Environmental Assessment Requirement

PART 1: ALTERNATIVES TO THE TRANSMISSION PROJECT

In Part 1, the EA will consider only alternatives that have an impact on the proposed transmission project. The Department will evaluate alternatives that deliver an equal amount of energy and capacity to the Wilson Substation as proposed by GRE. Such alternatives may attempt to reduce, mitigate or eliminate the need for the proposed transmission line, while delivering the proposed “needed” energy. Any analysis of the alleged need will be conducted through the CON testimony and public hearing(s) generally and not specifically in this EA. The EA will focus on the environmental, social, economic and cultural impacts of the proposed project and alternatives.

This analysis will review feasibility, general impacts and mitigation measures for the following alternatives required in Certificate of Need Environmental Reports, Minnesota Rule 4410.7030:

- No-build Alternative
- Conservation Alternative
- Existing Line/System Improvements
- Generation Alternative
- Alternatives Approved by the Commissioner of the Department

3.0 POTENTIAL HUMAN AND ENVIRONMENTAL IMPACTS, MITIGATION MEASURES, AND FEASIBILITY

- 3.1 Right-of-Way Requirements
- 3.2 Anticipated Size and Type of Structures
- 3.3 Electric and Magnetic Fields
- 3.4 Anticipated Noise Impacts

- 3.5 Anticipated Visual Impacts
- 3.6 Anticipated Emissions of any Hazardous Air Pollutants and VOCs
- 3.7 Anticipated Impacts on Water Quality
- 3.8 Anticipated Impacts on Natural and Wildlife Resources
- 3.9 Anticipated Social and Economic Impacts

PART 2: IMPACTS OF THE PROPOSED ROUTE AND ROUTE ALTERNATIVE

In Part 2, the EA will review impacts and mitigation measures for the proposed Highway 18 route as described in the GRE Mud Lake to Wilson Lake Project route permit application. The EA will also analyze a route alternative utilizing all or a portion of the existing 69 kV Oak Lawn to Wilson Lake transmission line right-of-way, and three route segments linking the Mud Lake Substation and the existing 69 kV transmission right-of-way. The segments are:

- A route segment paralleling Butternut Road, Townline Road, and approximately 1 mile cross country from the Mud Lake Substation east approximately 3 miles to the existing Oak Lawn to Wilson Lake 69 kV transmission right-of-way.
- A route segment paralleling County Highway 23 from Townline Road north to Highway 18 or Timber Lane then east to the existing right-of-way.
- A route segment paralleling Burgwald Road from Townline Road north approximately .5 miles to the existing right-of-way.

4.0 ASSESSMENT OF IMPACTS AND MITIGATION MEASURES

- 4.1 Description of Environmental Setting
- 4.2 Impacts on Human Settlement
 - 4.2.1 Socioeconomic
 - 4.2.2 Displacement
 - 4.2.3 Noise
 - 4.2.4 Aesthetics
 - 4.2.5 Human Health and Safety
- 4.3 Impacts on Land-based Economics
 - 4.3.1 Recreation
 - 4.3.2 Prime Farmland
 - 4.3.3 Transportation
 - 4.3.4 Mining and Forestry
 - 4.3.5 Economic Development
 - 4.3.5 Archeological and Historic Resources
- 4.4 Impacts on Natural Environment
 - 4.4.1 Air Quality
 - 4.4.2 Water Quality, Soils and Geology
 - 4.4.3 Groundwater and Wetlands
 - 4.4.4 Fish and Wildlife Resources
 - 4.4.5 Vegetation

4.5 Rare and Unique Natural Resources

5.0 OTHER CONSIDERATIONS

- 5.1 Significant Unavoidable Adverse Impacts
- 5.2 Irreversible/Irretrievable Commitment of Resources

6.0 PERMITS AND APPROVALS REQUIRED

- 6.1 Federal
- 6.2 State
- 6.3 Local

ISSUES OUTSIDE THE SCOPE OF THE EA

The Environmental Assessment will not consider the following matters:

1. The manner in which land owners are paid for transmission right-of-way easements, as that is outside the PUC jurisdiction.
2. Any alternatives not described specifically in this Scoping Decision.

SCHEDULE

The EA shall be completed and available by November 22, 2006. A public hearing will be held in Crow Wing County before an Administrative Law Judge after the EA has been issued and notice served.

Signed this 19 day of October, 2006

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



Glenn Wilson, Commissioner